

## Second estimate for the third quarter of 2009

# EU27 current account deficit 27.7 bn euro

## 16.7 bn euro surplus on trade in services

According to the latest revisions<sup>1</sup>, the **EU27**<sup>2</sup> external current account<sup>3</sup> recorded a deficit of 27.7 billion euro in the third quarter of 2009, compared with a deficit of 73.5 bn in the third quarter of 2008 and a deficit of 49.0 bn in the second quarter of 2009.

In the third quarter of 2009, compared with the third quarter of 2008, the deficit of the goods account decreased (-19.1 bn euro compared with -64.9 bn), as did the deficit of the income account (-8.6 bn compared with -14.2 bn). The surplus of the services account fell (+16.7 bn compared with +19.3 bn) and the deficit of the current transfers account increased (-16.7 bn compared with -13.7 bn).

The surplus recorded in the services account (+16.7 bn euro) is mainly the result of surpluses in "other business services", which includes miscellaneous business, professional and technical services (+8.9 bn), financial services (+5.7 bn), transportation (+5.4 bn) and computer & information services (+4.1 bn), partially offset by deficits in travel (-5.6 bn) and royalties & licence fees (-3.9 bn).

In the third quarter of 2009, the **EU27** external current account recorded a surplus with the **USA** (+12.5 bn euro), **Switzerland** (+6.0 bn), **Canada** (+2.4 bn), **Hong Kong** (+2.1 bn), **Brazil** (+1.6 bn) and **India** (+1.1 bn), and a deficit with **China** (-29.3 bn), **Russia** (-8.4 bn) and **Japan** (-8.0 bn).

### Financial Account

In the third quarter of 2009, the **EU27** made direct investments abroad for 56.2 bn, compared with 75.7 bn in the same quarter of 2008, while foreign direct investors made investments in the **EU27** for 26.9 bn, compared with investments for 64.5 bn in the same quarter of 2008. Portfolio investments recorded a net inflow of 100.8 bn, compared with 153.2 bn in the third quarter of 2008.

These provisional data, issued by **Eurostat**, the statistical office of the European Union, are based on the information available at the time of publication and subject to revision.

### Balance of payments euro-indicators for EU27 and the euro area (EA16)

(in bn euro)

|   | Q3/2008 | Q4/2008 | Q1/2009 | Q2/2009 | Q3/2009      |
|---|---------|---------|---------|---------|--------------|
| <b>EU27 current account balance</b>             | -73.5   | -59.4   | -53.3   | -49.0   | <b>-27.7</b> |
| <b>EU27 balance of trade in services</b>        | 19.3    | 21.7    | 12.7    | 16.2    | <b>16.7</b>  |
| <b>EU27 current account balance as % of GDP</b> | -2.4%   | -1.9%   | -1.9%   | -1.7%   | <b>-0.9%</b> |
| <b>EA16 current account balance</b>             | -34.7   | -32.2   | -38.0   | -21.7   | <b>-2.7</b>  |
| <b>EA16 balance of trade in services</b>        | 12.9    | 7.1     | 0.5     | 7.3     | <b>12.8</b>  |
| <b>EA16 current account balance as % of GDP</b> | -1.5%   | -1.4%   | -1.7%   | -1.0%   | <b>-0.1%</b> |

Source: Eurostat for EU27 data, ECB<sup>4</sup> for euro area

### EU27 current and capital account (in bn euro)

|                        | Q3/2008 |       |       | Q4/2008 |       |       | Q1/2009 |       |       | Q2/2009 |       |       | Q3/2009 |       |       |
|------------------------|---------|-------|-------|---------|-------|-------|---------|-------|-------|---------|-------|-------|---------|-------|-------|
|                        | Credit  | Debit | Net   | Credit  | Debit | Net   | Credit  | Debit | Net   | Credit  | Debit | Net   | Credit  | Debit | Net   |
| <b>CURRENT ACCOUNT</b> | 623.5   | 697.1 | -73.5 | 595.5   | 654.9 | -59.4 | 487.6   | 541.0 | -53.3 | 503.1   | 552.1 | -49.0 | 501.4   | 529.1 | -27.7 |
| - Goods                | 340.7   | 405.6 | -64.9 | 324.7   | 368.6 | -43.9 | 257.5   | 301.8 | -44.3 | 268.9   | 284.5 | -15.6 | 276.0   | 295.0 | -19.1 |
| - Services             | 138.1   | 118.8 | 19.3  | 135.1   | 113.4 | 21.7  | 113.7   | 101.0 | 12.7  | 116.1   | 99.9  | 16.2  | 121.7   | 105.0 | 16.7  |
| - Income               | 134.1   | 148.3 | -14.2 | 124.9   | 143.9 | -19.0 | 107.5   | 112.6 | -5.1  | 106.5   | 139.5 | -33.1 | 94.7    | 103.3 | -8.6  |
| - Current Transfers    | 10.6    | 24.3  | -13.7 | 10.9    | 29.1  | -18.2 | 8.9     | 25.5  | -16.6 | 11.7    | 28.2  | -16.5 | 9.1     | 25.8  | -16.7 |
| <b>CAPITAL ACCOUNT</b> | 1.5     | 3.4   | -1.9  | 1.7     | 4.5   | -2.8  | 1.7     | 3.0   | -1.3  | 1.6     | 3.9   | -2.3  | 2.1     | 5.9   | -3.8  |

Source: Eurostat

### EU27 financial account (in bn euro)

|                                    | Q3/2008 | Q4/2008  | Q1/2009 | Q2/2009 | Q3/2009 |
|------------------------------------|---------|----------|---------|---------|---------|
| <b>DIRECT INVESTMENT</b>           | -11.2   | -74.0    | -27.3   | 1.9     | -29.3   |
| - direct investment abroad         | -75.7   | -51.0    | -62.7   | -80.5   | -56.2   |
| - direct investment in the EU      | 64.5    | -23.0    | 35.4    | 82.5    | 26.9    |
| <b>PORTFOLIO INVESTMENT</b>        | 153.2   | 329.3    | 232.1   | 115.5   | 100.8   |
| - portfolio investment assets      | -8.9    | 258.6    | 32.0    | -78.0   | -55.6   |
| - portfolio investment liabilities | 162.1   | 70.7     | 200.2   | 193.5   | 156.4   |
| <b>OTHER INVESTMENT</b>            | -154.4  | -459.7   | -78.8   | -9.8    | -81.3   |
| - other investment assets          | -120.4  | 598.9    | 140.5   | 134.6   | 77.2    |
| - other investment liabilities     | -34.1   | -1 058.6 | -219.3  | -144.4  | -158.5  |
| <b>FINANCIAL DERIVATIVES</b>       | 6.2     | -28.3    | -6.9    | 19.3    | 0.6     |

Source: Eurostat

### EU27 services account (in bn euro)

|                                    | Q3/2008 |       |      | Q4/2008 |       |      | Q1/2009 |       |      | Q2/2009 |       |      | Q3/2009 |       |      |
|------------------------------------|---------|-------|------|---------|-------|------|---------|-------|------|---------|-------|------|---------|-------|------|
|                                    | Credit  | Debit | Net  | Credit  | Debit | Net  | Credit  | Debit | Net  | Credit  | Debit | Net  | Credit  | Debit | Net  |
| <b>Services</b>                    | 138.1   | 118.8 | 19.3 | 135.1   | 113.4 | 21.7 | 113.7   | 101.0 | 12.7 | 116.1   | 99.9  | 16.2 | 121.7   | 105.0 | 16.7 |
| <b>Transportation</b>              | 35.8    | 29.1  | 6.8  | 33.6    | 26.5  | 7.1  | 26.8    | 22.1  | 4.7  | 26.9    | 21.4  | 5.5  | 27.3    | 21.9  | 5.4  |
| <b>Travel</b>                      | 24.5    | 31.5  | -7.0 | 16.2    | 20.0  | -3.8 | 13.0    | 19.0  | -6.0 | 17.4    | 20.9  | -3.5 | 22.2    | 27.8  | -5.6 |
| <b>Other services</b>              | 77.0    | 56.3  | 20.7 | 84.6    | 64.8  | 19.8 | 73.7    | 58.8  | 14.9 | 71.7    | 56.0  | 15.7 | 72.1    | 53.3  | 18.8 |
| Communication services             | 2.8     | 2.8   | -0.1 | 2.9     | 3.1   | -0.2 | 2.9     | 3.1   | -0.1 | 2.9     | 3.0   | -0.1 | 3.1     | 3.1   | 0.0  |
| Construction services              | 4.3     | 2.5   | 1.8  | 5.2     | 3.0   | 2.2  | 3.9     | 2.5   | 1.4  | 4.4     | 3.1   | 1.3  | 4.6     | 3.0   | 1.6  |
| Insurance services                 | 3.7     | 1.6   | 2.1  | 3.2     | 2.1   | 1.1  | 4.2     | 1.8   | 2.4  | 3.3     | 1.8   | 1.6  | 3.6     | 1.6   | 2.0  |
| Financial services                 | 11.8    | 4.5   | 7.3  | 13.0    | 4.9   | 8.0  | 10.5    | 4.0   | 6.4  | 9.6     | 4.0   | 5.6  | 10.1    | 4.4   | 5.7  |
| Computer & info. services          | 7.2     | 2.7   | 4.5  | 8.4     | 3.6   | 4.7  | 8.4     | 3.3   | 5.0  | 6.8     | 3.0   | 3.8  | 7.1     | 3.0   | 4.1  |
| Royalties & licence fees           | 6.0     | 9.5   | -3.5 | 7.1     | 10.7  | -3.7 | 6.8     | 10.9  | -4.1 | 6.1     | 8.7   | -2.5 | 5.7     | 9.6   | -3.9 |
| Other business services            | 37.7    | 29.0  | 8.8  | 41.2    | 33.8  | 7.4  | 34.2    | 29.5  | 4.7  | 35.4    | 29.4  | 6.0  | 34.7    | 25.8  | 8.9  |
| Personal, cultural & rec. services | 1.2     | 1.6   | -0.4 | 1.5     | 1.4   | 0.1  | 1.0     | 1.5   | -0.6 | 1.2     | 1.3   | -0.2 | 1.2     | 1.4   | -0.3 |
| Government services, n.i.e.        | 2.2     | 2.0   | 0.2  | 2.3     | 2.1   | 0.1  | 2.0     | 2.2   | -0.2 | 1.9     | 1.7   | 0.2  | 2.0     | 1.4   | 0.6  |
| <b>Services not allocated</b>      | 0.8     | 2.0   | -1.3 | 0.7     | 2.0   | -1.3 | 0.2     | 1.2   | -1.0 | 0.1     | 1.7   | -1.6 | 0.1     | 2.0   | -1.9 |

Source: Eurostat

**EU27 geographical breakdown of selected balance of payments items (in bn euro)**

| Partner            | Period         | Total Current Account |              |              | Goods        |              |              | Services     |              |             | Direct investment abroad | Direct investment in the EU |
|--------------------|----------------|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------------------|-----------------------------|
|                    |                | Credit                | Debit        | Net          | Credit       | Debit        | Net          | Credit       | Debit        | Net         | Net                      | Net                         |
| <b>Total</b>       | Q4/2008        | 595.5                 | 654.9        | -59.4        | 324.7        | 368.6        | -43.9        | 135.1        | 113.4        | 21.7        | -51.0                    | -23.0                       |
|                    | Q1/2009        | 487.6                 | 541.0        | -53.3        | 257.5        | 301.8        | -44.3        | 113.7        | 101.0        | 12.7        | -62.7                    | 35.4                        |
|                    | Q2/2009        | 503.1                 | 552.1        | -49.0        | 268.9        | 284.5        | -15.6        | 116.1        | 99.9         | 16.2        | -80.5                    | 82.5                        |
|                    | <b>Q3/2009</b> | <b>501.4</b>          | <b>529.1</b> | <b>-27.7</b> | <b>276.0</b> | <b>295.0</b> | <b>-19.1</b> | <b>121.7</b> | <b>105.0</b> | <b>16.7</b> | <b>-56.2</b>             | <b>26.9</b>                 |
| <b>USA</b>         | Q4/2008        | 137.5                 | 136.4        | 1.0          | 62.3         | 46.4         | 15.9         | 32.7         | 37.1         | -4.4        | -31.6                    | 0.5                         |
|                    | Q1/2009        | 118.1                 | 113.8        | 4.3          | 51.3         | 44.2         | 7.0          | 28.7         | 31.2         | -2.5        | -20.1                    | 5.4                         |
|                    | Q2/2009        | 118.5                 | 112.6        | 5.9          | 52.3         | 40.5         | 11.9         | 30.3         | 32.0         | -1.7        | 3.8                      | 58.1                        |
|                    | <b>Q3/2009</b> | <b>110.9</b>          | <b>98.4</b>  | <b>12.5</b>  | <b>49.6</b>  | <b>36.2</b>  | <b>13.4</b>  | <b>30.0</b>  | <b>30.6</b>  | <b>-0.6</b> | <b>-25.9</b>             | <b>-3.9</b>                 |
| <b>Switzerland</b> | Q4/2008        | 57.2                  | 47.2         | 10.0         | 26.3         | 23.2         | 3.0          | 16.3         | 11.9         | 4.4         | 9.2                      | 5.1                         |
|                    | Q1/2009        | 50.9                  | 42.0         | 8.9          | 23.9         | 21.3         | 2.6          | 14.4         | 11.3         | 3.2         | -6.7                     | 8.6                         |
|                    | Q2/2009        | 52.8                  | 43.2         | 9.5          | 22.2         | 20.3         | 1.9          | 15.8         | 10.4         | 5.4         | -11.9                    | 6.0                         |
|                    | <b>Q3/2009</b> | <b>49.7</b>           | <b>43.7</b>  | <b>6.0</b>   | <b>22.0</b>  | <b>19.9</b>  | <b>2.1</b>   | <b>16.6</b>  | <b>11.2</b>  | <b>5.5</b>  | <b>-2.2</b>              | <b>7.3</b>                  |
| <b>China*</b>      | Q4/2008        | 26.0                  | 70.0         | -44.0        | 19.5         | 64.5         | -44.9        | 5.3          | 4.1          | 1.3         | -0.9                     | 0.2                         |
|                    | Q1/2009        | 22.9                  | 55.4         | -32.5        | 17.1         | 51.1         | -34.0        | 4.7          | 3.4          | 1.3         | -1.2                     | -0.1                        |
|                    | Q2/2009        | 26.2                  | 50.9         | -24.7        | 20.6         | 46.5         | -25.9        | 4.2          | 3.3          | 0.9         | -0.4                     | 0.1                         |
|                    | <b>Q3/2009</b> | <b>27.1</b>           | <b>56.4</b>  | <b>-29.3</b> | <b>20.9</b>  | <b>52.0</b>  | <b>-31.1</b> | <b>4.8</b>   | <b>3.4</b>   | <b>1.4</b>  | <b>-1.6</b>              | <b>0.0</b>                  |
| <b>Russia</b>      | Q4/2008        | 33.4                  | 40.6         | -7.2         | 25.3         | 35.2         | -9.9         | 5.4          | 3.3          | 2.1         | -5.9                     | 1.2                         |
|                    | Q1/2009        | 22.2                  | 29.2         | -6.9         | 15.6         | 25.6         | -10.1        | 3.8          | 2.5          | 1.3         | 0.0                      | 0.8                         |
|                    | Q2/2009        | 22.5                  | 29.0         | -6.5         | 15.5         | 25.1         | -9.6         | 4.1          | 2.8          | 1.3         | 0.4                      | 0.7                         |
|                    | <b>Q3/2009</b> | <b>24.5</b>           | <b>32.9</b>  | <b>-8.4</b>  | <b>16.3</b>  | <b>29.4</b>  | <b>-13.1</b> | <b>5.3</b>   | <b>2.7</b>   | <b>2.6</b>  | <b>-2.0</b>              | <b>0.7</b>                  |
| <b>Japan</b>       | Q4/2008        | 21.3                  | 30.5         | -9.2         | 10.9         | 17.6         | -6.8         | 4.6          | 3.7          | 0.9         | -0.1                     | 4.4                         |
|                    | Q1/2009        | 17.2                  | 24.6         | -7.4         | 9.1          | 14.5         | -5.4         | 4.1          | 3.4          | 0.8         | 0.7                      | -2.9                        |
|                    | Q2/2009        | 15.6                  | 25.1         | -9.5         | 8.5          | 13.2         | -4.8         | 3.9          | 3.0          | 0.9         | 1.1                      | -0.2                        |
|                    | <b>Q3/2009</b> | <b>15.5</b>           | <b>23.4</b>  | <b>-8.0</b>  | <b>9.2</b>   | <b>13.3</b>  | <b>-4.2</b>  | <b>3.9</b>   | <b>3.1</b>   | <b>0.8</b>  | <b>0.6</b>               | <b>3.1</b>                  |
| <b>Canada</b>      | Q4/2008        | 12.7                  | 11.0         | 1.7          | 6.3          | 5.9          | 0.4          | 2.7          | 2.3          | 0.4         | -1.6                     | 2.1                         |
|                    | Q1/2009        | 11.1                  | 8.6          | 2.5          | 5.4          | 4.5          | 0.9          | 2.4          | 2.0          | 0.4         | -0.6                     | 4.6                         |
|                    | Q2/2009        | 10.9                  | 9.4          | 1.5          | 5.4          | 4.0          | 1.4          | 2.7          | 2.0          | 0.8         | 0.9                      | 3.3                         |
|                    | <b>Q3/2009</b> | <b>11.1</b>           | <b>8.8</b>   | <b>2.4</b>   | <b>5.2</b>   | <b>3.8</b>   | <b>1.5</b>   | <b>2.9</b>   | <b>2.2</b>   | <b>0.8</b>  | <b>-2.1</b>              | <b>0.5</b>                  |
| <b>Hong Kong</b>   | Q4/2008        | 10.0                  | 10.4         | -0.5         | 5.0          | 5.7          | -0.8         | 2.2          | 2.0          | 0.2         | -2.1                     | 1.6                         |
|                    | Q1/2009        | 8.9                   | 7.4          | 1.5          | 4.4          | 4.0          | 0.4          | 1.7          | 1.7          | 0.0         | -1.2                     | -1.1                        |
|                    | Q2/2009        | 10.1                  | 7.1          | 3.0          | 5.1          | 3.7          | 1.4          | 1.8          | 1.6          | 0.2         | -1.0                     | 0.2                         |
|                    | <b>Q3/2009</b> | <b>9.5</b>            | <b>7.4</b>   | <b>2.1</b>   | <b>5.2</b>   | <b>4.3</b>   | <b>0.9</b>   | <b>1.9</b>   | <b>1.6</b>   | <b>0.3</b>  | <b>-1.2</b>              | <b>0.5</b>                  |

\* excluding Hong Kong

| Partner         | Period         | Total Current Account |              |             | Goods        |              |             | Services    |             |            | Direct investment abroad | Direct investment in the EU |
|-----------------|----------------|-----------------------|--------------|-------------|--------------|--------------|-------------|-------------|-------------|------------|--------------------------|-----------------------------|
|                 |                | Credit                | Debit        | Net         | Credit       | Debit        | Net         | Credit      | Debit       | Net        | Net                      | Net                         |
| India           | Q4/2008        | 10.8                  | 10.5         | 0.4         | 7.4          | 7.0          | 0.4         | 2.4         | 2.2         | 0.2        | -0.9                     | 1.7                         |
|                 | Q1/2009        | 8.8                   | 9.8          | -1.0        | 6.0          | 6.9          | -0.9        | 1.9         | 1.9         | 0.0        | -1.0                     | -0.1                        |
|                 | Q2/2009        | 9.9                   | 8.6          | 1.3         | 6.9          | 6.0          | 0.9         | 2.0         | 1.8         | 0.3        | -0.4                     | 0.3                         |
|                 | <b>Q3/2009</b> | <b>10.0</b>           | <b>8.8</b>   | <b>1.1</b>  | <b>6.8</b>   | <b>6.2</b>   | <b>0.6</b>  | <b>2.2</b>  | <b>1.9</b>  | <b>0.3</b> | <b>-0.5</b>              | <b>0.1</b>                  |
| Brazil          | Q4/2008        | 12.4                  | 10.9         | 1.6         | 6.8          | 8.3          | -1.4        | 2.2         | 1.7         | 0.6        | -2.8                     | 3.2                         |
|                 | Q1/2009        | 8.6                   | 8.4          | 0.3         | 4.7          | 5.8          | -1.2        | 2.0         | 1.6         | 0.4        | -2.3                     | 0.2                         |
|                 | Q2/2009        | 9.7                   | 8.2          | 1.4         | 4.8          | 6.2          | -1.4        | 2.1         | 1.3         | 0.8        | -1.0                     | 1.3                         |
|                 | <b>Q3/2009</b> | <b>10.2</b>           | <b>8.6</b>   | <b>1.6</b>  | <b>5.7</b>   | <b>6.3</b>   | <b>-0.6</b> | <b>2.1</b>  | <b>1.6</b>  | <b>0.5</b> | <b>-0.9</b>              | <b>0.5</b>                  |
| Other countries | Q4/2008        | 274.2                 | 287.5        | -13.2       | 154.9        | 154.8        | 0.1         | 61.3        | 45.2        | 16.1       | -14.3                    | -43.0                       |
|                 | Q1/2009        | 218.9                 | 241.8        | -22.9       | 120.2        | 123.9        | -3.8        | 50.1        | 42.1        | 8.0        | -30.2                    | 20.2                        |
|                 | Q2/2009        | 226.9                 | 257.9        | -31.0       | 127.6        | 119.0        | 8.6         | 49.0        | 41.9        | 7.2        | -72.1                    | 12.6                        |
|                 | <b>Q3/2009</b> | <b>232.9</b>          | <b>240.6</b> | <b>-7.7</b> | <b>135.1</b> | <b>123.5</b> | <b>11.6</b> | <b>51.8</b> | <b>46.7</b> | <b>5.1</b> | <b>-20.4</b>             | <b>17.9</b>                 |

Source: Eurostat

1. The first estimate for Q3 2009, published in News Release 178/2009 of 11 December 2009, was a deficit of 33.3 bn euro for the EU27 current account. That first estimate was based on figures provided by the Member States to Eurostat two months after the reference quarter, and was provisional.  
This second release is based on more detailed quarterly data, transmitted to Eurostat by the Member States three months after the reference quarter. These data may also be subject to revision when data for later quarters are transmitted by the Member States.  
All the figures can be downloaded free of charge from the balance of payments section of the Eurostat web site <http://ec.europa.eu/eurostat>.  
Sums of components and data of different periodicity may not add up due to rounding.
2. The EU27 includes Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.  
The euro area (EA16) includes Belgium, Germany, Ireland, Greece, Spain, France, Italy, Cyprus, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.
3. The balance of payments is based on a double entry system, therefore the sum of the balances of the current account, the capital account and the financial account is in principle equal to zero, any discrepancy being due to statistical errors.  
The *current account* covers all transactions occurring between resident and non-resident entities, and refers to international trade in goods and services, income and current transfers. More specifically, the four main components of the current account are defined as follows:  
The *goods* account covers general merchandise, goods for processing, repairs on goods, goods procured in ports by carriers and non-monetary gold. Exports and imports of goods are recorded on a f.o.b./f.o.b. basis, i.e. at market value at the customs frontiers of exporting economies, including charges for insurance and transport services up to the frontier of the exporting country.  
The *services* account consists of the following items: *transportation* services performed by EU residents for non-EU residents, or vice versa, involving the carriage of passengers, the movement of goods, rentals of carriers with crew and related supporting and auxiliary services, *travel*, which includes primarily the goods and services EU travellers acquire from non-EU residents, or vice versa, and *other services*. The latter include: communication services, construction services, insurance services, financial services, computer and information services, royalties and licence fees, other business services (which comprise merchanting and other trade-related services, operational leasing services and miscellaneous business, professional and technical services), personal, cultural and recreational services and government services not included elsewhere.  
The *income* account covers two types of transactions: *compensation of employees* paid to non-resident workers or received from non-resident employers, and *investment income* accrued on external financial assets and liabilities.  
The *current transfers* account includes *general government current transfers*, e.g. transfers related to international co-operation between governments, payments of current taxes on income and wealth, etc., and *other current transfers*, e.g. workers' remittances, insurance premiums - less service charges - and claims on non-life insurance companies.  
The *capital account* comprises capital transfers, which involve the transfer of ownership of fixed assets, and the acquisition and disposal of nonproduced, nonfinancial assets, which include tangible assets that are not produced (such as subsoil assets) as well as intangible assets (patents, copyrights, trademarks, etc).  
The *financial account* records transactions that involve financial assets and liabilities, and take place between residents and non residents. Financial assets and liabilities are further classified in functional categories:  
*Direct investment* reflects the objective of the investor to obtain a lasting interest in an enterprise resident in another economy. Direct investment abroad comprises the capital flows of EU investors outside the EU; the direct investment in the EU accounts for the capital flows of non EU investors in the EU.  
*Portfolio investment* involves transactions in debt and equity securities, not included in direct investments and reserve assets  
*Financial derivatives* involve transactions on financial instruments whose value is contingent on another specific financial instrument, or index, or commodity.  
*Reserve assets* are those assets readily available to and controlled by the monetary authorities. They are a standard component of the financial account; however, as the European Union is not a monetary union, it is not possible to compute the EU aggregate for this functional category.  
*Other investment* is a residual category that includes all the financial transaction not covered elsewhere, such as currency and deposits, trade credits and loans.
4. In line with the agreed allocation of responsibility, the European Central Bank (ECB) ([www.ecb.int](http://www.ecb.int), section statistics/statistical press releases) is in charge of compiling and disseminating monthly and quarterly balance of payments statistics for the euro area, whereas the European Commission (Eurostat) focuses on quarterly and annual aggregates of the EU. The data comply with international standards, in particular those set out in the IMF Manual on Balance of Payments Statistics (5th edition). The aggregates for the euro area and the EU are compiled consistently on the basis of Member States' transactions with residents of countries outside the euro area and the European Union respectively.

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